

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
Before the Board of Patent Appeals and Interferences**

In re Patent Application of

UNDERSTEIN

Atty. Ref.: 2802-5 (AMK)

Serial No. 09/617,065

TC/A.U.: 3694

Filed: July 13, 2000

Examiner: D. Greene

For: WEB-BASED ACCOUNT MANAGEMENT

\* \* \* \* \*

June 30, 2008

Mail Stop Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

**AFFIDAVIT FILED AFTER APPEAL UNDER 37 C.F.R. §41.33 (MPEP 1206)**

A Declaration Under 37 C.F.R. §1.132 is being filed herewith. The Declaration was not earlier presented because Appellant's explanation of the differences between placing a hold on a credit line and reserving a portion of a consumer funding account was discounted by the Examiner in the Examiner's Answer. Additional remarks in this regard were included in Appellant's Reply Brief.

The Examiner's grounds of rejection relies entirely on a mistaken understanding. It became apparent at the time of preparing the Reply Brief that further objective evidence may be helpful to the Board in understanding this important distinction between the invention and the references of record. From the time of filing the Reply Brief, it took this period of time to find a suitable declarant and complete the declaration.

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Appellant is endeavoring to present sufficient information to the Board to assist the Board in making an educated decision.

Entry of the Declaration is respectfully requested.

Respectfully submitted,

**NIXON & VANDERHYE P.C.**

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In re Patent Application of

UNDERSTEIN

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\* \* \* \* \*

June 25, 2008

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

**DECLARATION UNDER 37 C.F.R. §1.132**

I, D. Bret Baumann, hereby declare as follows:

1. Attended Tarleton State University
2. I am Senior Vice-President, Sales, TriSource Solutions, 2 months at current position.
3. Global Payments (11 years) Regional Manager, Direct Sales. Lipman USA (2 years) Regional Manager, Sales. Way Systems (2 years) Vice President, ISO/Distribution Channel.
4. Multiple President Club Awards, Consistently achieved 100% of target revenue goals.
5. I have read and understand the above-identified patent application. I understand that it is the Patent Office Examiner's contention that placing a hold on a

credit card holder's credit line was, at the time of the invention, equivalent to reserving a portion of a cash deposit account. Based on my experience, I disagree with this contention. That is, based on my experience, there is a distinction between holding a portion of a credit card holder's credit line and reserving a portion of an account holder's cash balance that is on account.

6. **Credit Card Charge:** A person ("Credit Card Holder") makes a purchase using a credit card. The transaction reduces the line of credit that the Credit Card Holder has with the Credit Card Issuer, and the Credit Card Issuer then bills the customer for the charges made. The Credit Card Holder then must make a payment to restore their credit line. Because the transaction is a "line of credit," if the Credit Card Holder fails to make a payment to the Credit Card Issuer, then the Credit Card Issuer can go after the Credit Card Holder to make a payment.

7. **Credit Card Hold:** A portion of the Credit Card Holder's credit line is reduced for some contingent liability. One example is when an individual rents a car. The car rental company may have the Credit Card Issuer put a hold on the Credit Card Holder's line of credit (Example: Avis may put a \$2,000.00 hold on the Credit Card Holder's line of credit, in the event the Credit Card Holder damages the car and is responsible under their agreement with Avis to pay for those damages). When the car is returned undamaged, the Credit Card Hold is released by the Credit Card Issuer, and a Credit Card Charge is made for the actual cost of the car rental.

8. **Debit Card:** A portion of the Debit Card Holder's cash on account with the Debit Card Issuer is deducted to pay for a purchase using the debit card.

9. **eDeposit Hold and Release (as defined in present patent application):**  
Unlike the Credit Card, Credit Card Hold, or Debit Card, unique features of the eDeposit Hold and Release are as follows:

a) eDeposit Hold and Release is unlike a Credit Card Charge or Credit Card Hold, in that the eDeposit Hold and Release is not a hold on a credit line. With eDeposit, it is a hold on cash that is on account at eDeposit or a participating bank or financial institution.

b) eDeposit Hold and Release is unlike a Debit Card in that with eDeposit, the funds are placed on Hold, and then the funds, if not used for a "contractual obligation," are then Released. With eDeposit, the funds never leave the eDeposit account where the funds are deposited during the transaction, unless the "contractual obligation" is met. With a Debit Card, the funds are withdrawn from the Debit Card Holder's account at the time the purchase is made. With a Debit Card, the funds are not placed on hold and then released, but instead the funds are withdrawn from the Debit Card Holder's account.

10. **USES AND FEATURES OF eDeposit over a Credit Card Charge, Credit Card Hold, or Debit Card:**

a) Auction: Funds can be placed in an eDeposit account by a potential auction bidder ("eDeposit Account Holder") for an auction that has a seller-determined deposit requirement. The eDeposit Account Holder can then bid on an auction by having the

auction company place a Hold on a specified amount in the eDeposit Account Holder's account. The Hold will be maintained so long as the individual is the High Bidder, and the Hold will automatically be released if the individual is outbid (and no longer has the obligation to purchase the item he is bidding on). If the eDeposit Account Holder places another bid, the funds are again placed on Hold, and remain on Hold unless the Account Holder is outbid, at which time the funds are released.

b) Escrow: Funds placed in an eDeposit account can be used as an "escrow" to insure that an individual completes a "contractual obligation." For example: Party A wishes to sell Widgets to Party B who has never done business with Party A before. Party B places funds in an eDeposit account and the funds are placed on Hold until Party A sends the Widgets to Party B. Once the Widgets are received, the funds are sent to Party A. If Party A never sends the Widgets, then the Hold on the funds are Released. The actual terms of the "contractual obligation" [time period to send Widgets; acceptance terms, etc] are predetermined by Party A and Party B.

c) Interest: Because funds placed in an eDeposit account never leave the account during the Hold and Release period, the funds could earn interest from the time the funds are placed into the account until the time the funds are transferred out of the account either by the account holder, or as the result of a purchase or completion of a "contractual obligation."

11. I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and

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that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under the laws of the United States, Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patents issuing thereon.

6/25/08  
Date

[Signature]